CHARTER ONE FINANCIAL, INC.®

September 21, 2000

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Manager, Dissemination Branch
Information Management and Services Division
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552

Dear Sir or Madam:

We appreciate the opportunity to comment on the Office of Thrift Supervision's ("OTS") proposed changes to the Thrift Financial Report ("TFR") effective with the March 2001 reporting cycle, as published in the August 4, 2000 Federal Register notice. Specifically, our comments are directed to the elimination of confidential treatment for certain interest rate risk and past due data.

By way of background, Charter One Financial, Inc. is a publicly traded multi-tier financial holding company headquartered in Cleveland, Ohio with assets of $32 billion. Our corporate structure includes Charter One Bank, F.S.B., a federally chartered thrift, and Charter One Commercial, a New York chartered commercial bank.

Although sympathetic to the OTS in its effort to improve information used by securities analysts, rating agencies, and large institutional investors, for the reasons outlined below, we do not believe that the proposed change to eliminate confidential treatment for certain interest rate risk and past due data will achieve the OTS' objectives.

As a publicly traded multi-tier financial holding company, we are subject to the regulation of the Securities and Exchange Commission ("SEC"), Federal Reserve Board ("FRB"), OTS, and Federal Deposit Insurance Corporation. We are required to file monthly, quarterly, and/or annual reports with each of these regulatory agencies which disclose our financial results, as well as the level of and trends in interest rate risk and asset quality. Only the reports filed with the SEC and FRB present our financial results on a consolidated basis to include all of our subsidiaries, including our federally chartered thrift and our New York chartered commercial bank. Specifically, the filings with the SEC include a number of required disclosures which address interest rate risk and asset quality, including the following:

1) Maturities and sensitivities of assets and liabilities to changes in interest rates

2) Quantitative and qualitative disclosures about market risk, including sensitivity analysis disclosures which express the potential loss in future earnings, fair values, or cash flows of market risk sensitive instruments resulting from one or more selected hypothetical changes in interest rates over a selected period of time, including a description of the model, assumptions, and parameters used in the calculation

3) Fair values of financial instruments in accordance with Statement of Financial Accounting Standards ("SFAS") No. 107, *Disclosures about Fair Value of Financial Instruments*

4) Derivative financial instruments as defined in SFAS No. 119, *Disclosures about Derivative Financial Instruments and Fair Value of Financial Instruments* (to be superseded by SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*)

5) Time deposits by remaining maturity

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6) Short-term borrowings

7) Maturities of debt in accordance with SFAS No. 47, *Disclosure of Long-Term Obligations*

8) Nonaccrual, past due and restructured loans

9) Potential problem loans where known information about possible credit problems of borrowers causes management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms and which may result in disclosure of such loans as nonaccrual, past due, or restructured

10) Impaired loans as defined in SFAS No. 114, *Accounting by Creditors for Impairment of a Loan*

11) Summary of loan loss experience

12) Allocation of the allowance for loan losses by portfolio

Unlike the TFR and CMR, each of the above disclosures is supplemented with discussion which management believes necessary to achieve an understanding of such disclosures, including the description of any unusual or infrequent events or transactions or any significant economic changes which affected the amounts reported.

In addition, commercial banks are not obligated to prepare call report disclosures regarding interest rates, repricings, and maturities of financial instruments in the same level of detail as required by the CMR. This inconsistency between thrift and bank reporting further supports our request to keep information disclosed by the individual savings association in the CMR confidential until all of the various thrift and banking regulators adopt standard reporting requirements.

In conclusion, we believe that the public information already available in SEC filings is sufficiently adequate for securities analysts, rating agencies, and large institutional investors. This public information presents consolidated information on multi-tier companies and therefore allows analysts and investors to make informed decisions relating to the company as a whole. Public disclosure of the individual thrift's results would likely raise questions by analysts and investors as to how the information presented in the TFR and CMR reconciles to the consolidated disclosures for interest rate risk and asset quality in the SEC filings. This is particularly of concern given that commercial banks are not obligated to disclose interest rates, repricings, and maturities of financial instruments in the same level of detail as required by the CMR. Furthermore, the TFR and CMR do not contain discussion by management necessary to achieve an understanding of such disclosures as with the SEC filings. As a result, an additional burden would be placed on management to explain assumptions and trends to analysts and investors that are adequately disclosed in other public filings for the consolidated company. Therefore, we strongly prefer to operate under existing regulations that accord confidential treatment to the information savings associations report in Schedule CMR on the maturity and rate information used in assessing interest rate risk and information reported in Schedule PD on the amounts of loans, leases, and other assets past due 30 through 89 days and still accruing.

Sincerely,

Nancy A Brozovich

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